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SALES AND SERVICE

PURPOSE: To examine sales and services as the end process in production and marketing activities.

A nationally known sales manager recently talked to the participants in a Town and Country Business Program about what happens in selling.

During the discussion, the sales manager demonstrated that the sale is the culmination of a long series of events, the goal being an exchange of goods or services for money.

Selling is accomplished through (1) personal salesmanship, (2) advertising, and (3) sales promotion. All three of these techniques are aimed at finding the customer then creating the desire for goods or services.

In this Key Point we will consider the personal salesmanship phase of marketing. The non-personal forms of salesmanship — advertising and sales promotion — are covered in a separate Key Point.

Goods are the tangible things which people buy — items like agricultural and manufactured products. No less important are the sales of banking, legal, medical, garage, and hair styling services.

The sales manager will tell you that services should be a part of every sale. Services that go with the sale of every product vary with the nature of the item that is sold. Some of the sale services precede the sales, while others follow the exchange. These services might be advice on the proper use of the product, repair, special delivery schedules, or credit.

Selling is involved at nearly every step of the way from the producer to the consumer. The farmer sells to the first handler or the consumer. The various middlemen in the marketing system engage in buying and selling. The public warehouseman must sell his storage space; the trucker sells his transportation; the processor, his product; and, of course, the retailer depends entirely on sales to maintain his business.

Framework for Selling

The act of selling can be divided into four parts for purposes of study. Some salesmen refer to this four-part framework as the A-I-D-A formula. Let's look at A-I-D-A and see how it fits into every exchange and how the salesman uses it in his day-to-day selling practices.

- A — Attention:** the salesman first must get the attention of the prospect. This step already has been at least partially accomplished when the product has been advertised.
- I — Interest:** the next task of the salesman is to build interest in his product or service. This step, too, can be eased by good advertising. The attention phase of selling must be amplified to the point of getting the customer to examine the product and weigh its merits as a useful item to him.
- D — Desire:** interest must be stimulated to a degree of conviction to buy. Here's where the salesman must skillfully sell the particular merits of his product. He must do a convincing job to create the desire for ownership.
- A — Action:** in this step the salesman "closes" the sale and gives the customer title to the product. This phase is the final one between the salesman and the customer. The purchase is made, the exchange completed, and ownership transferred.





PERSONAL
SALESMANSHIP



ADVERTISING



SALES
PROMOTION

Three Techniques of Selling

The A-I-D-A formula is the procedure which a successful salesman uses to motivate a prospect and build a sale. In striving for his goal of a satisfied customer, the salesman uses every possible sense to put his product in the proper light. The senses of sight, taste, smell, feel, and hearing are utilized in selling. Thus, taste and smell are sales motivators in many food products, feel is used to sell textiles and leather; the manner in which a salesman uses his voice is a factor in his ability to sell.

There are three main types of salesmen, many of whom you will meet during your participation in the Town and Country Business Program. They may be classified in this way:

Manufacturers' Salesmen — these men and women work for the manufacturer and sell the product to the ultimate consumer or to wholesalers, retailers, and other types of middlemen.

Wholesalers' Salesmen — this group sells to various kinds of wholesalers. Many of these firms have specialized salesmen to handle this selling. They, of course, spend a large part of their time calling on retailers.

Retail Salesmen — as consumers, we are more familiar with this type of salesman than any other. This person sells the suit or dress, toothpaste, diamond ring, or other products to you.

Tools of Selling

Personal selling involves three major tools. They are (1) self, (2) product, and (3) customer. Let's analyze very briefly how the salesman uses these tools in successful selling.

Personal selling is individualistic; if the salesman has the natural ability to impart a favorable reaction on the part of buyers from his first meeting with the customer, he has a good start at selling. It is often called "selling personality" by some salesmen. "Sell-

ing personality" is a combination of personal appearance, thinking ability, speech, and other individual qualities. Other personal attributes that are important in successful salesmanship are education, initiative, and determination to get ahead. Self is then the first important tool which the salesman must use.

Discussion of the individual's role in selling will usually bring up the question "Are salesmen made or born?" Usually, the successful salesman does have a typical pattern of abilities and personal characteristics. Psychologists are able to measure these qualities. On the other hand, certain skills are essential for handling sales situations; these skills can be taught and learned. Often, through development of these skills, the salesman can overcome a certain amount of ineptness. A well-trained salesman often can outdistance the natural salesman who does not reinforce himself with training in sales technique.

The second tool which the salesman uses is his product. But, in addition to having a product which can be the basis for enthusiasm, the good salesman must have an intimate knowledge of his product. The product must be explained clearly and convincingly to prospects. Knowing all there is to know about the product helps the salesman to sell convincingly and with confidence. Of equal importance are knowledge of the use of the product, its performance record, and the reputation of his company.

Beyond knowing his own product, the salesman who has detailed knowledge of his competition has a real advantage. Records show that the best salesmen know their product and the competitive product as well.

Since it is the buyer who, in the final analysis, closes the sale, ability to take the *customer's point of view* is the third tool of salesmanship. Indeed, it is as important to know human characteristics and emotions as it is to know the product being sold. Successful salesmanship means knowing people: how they feel and respond to your line of goods. Customers

have many beliefs that appear odd, even irrational, but the salesman must accept people as they are. Most salesmen pride themselves on their ability to perceive human nature and to use it to the advantage of both the buyer and seller: put himself in the customer's shoes, so to speak.

Thus far we have viewed the salesman with his salesmanship as an individual performing an independent, personal task in marketing. This approach is proper, because there are few careers in which success is so dependent upon the ability of the individual to plan and do things on his own. Resourcefulness and ambition are qualities exhibited by most top salesmen. These qualities are important, because the work of the salesman is seldom performed under the close scrutiny of the "boss." Some types of salesmen have little direction from management. This arrangement is in contrast to the jobs of factory and office workers.

Sales Management and the Sales Manager

Despite the independent nature of personal salesmanship, larger companies have sizable sales forces, and these activities must be coordinated to achieve the greatest possible efficiency in the marketing program. The responsibility for seeing that a satisfactory sales volume is maintained and selling costs kept in

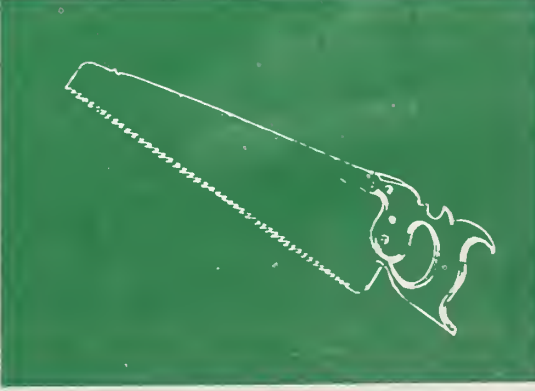
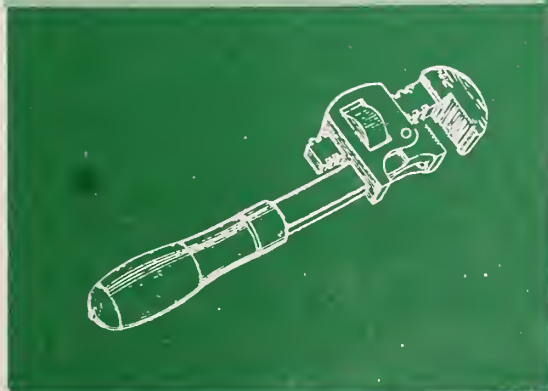
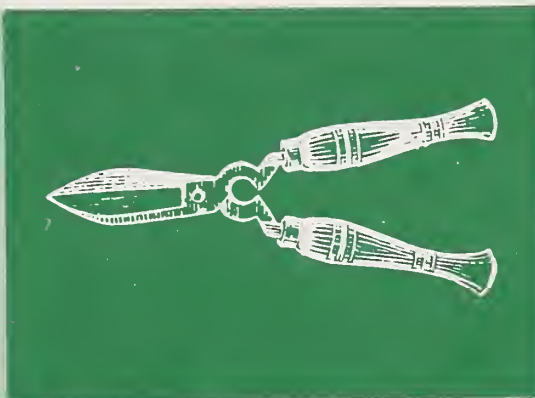
line comes under the general heading of sales management. The sales manager keeps the sales force working as a team to do the most effective job of moving the firm's products.

The sales manager's job varies with the company. In the larger companies the job involves selecting and training new salesmen, sales planning, merchandising, research activities, and the advertising programs of the company. In the smaller company the sales manager may be the senior salesman and will spend a large part of his time in the field doing contact work.

To help in organizing a group of salesmen into an effective sales team, the sales manager often will provide sales quotas which the company expects the salesman to reach within a period of time. The salesman will try to exceed his quota, and often there are bonuses and other incentives for accomplishing this goal.

Many sales managers spend a portion of their time in training salesmen. Keeping the salesmen informed on the products and marketing policies of the company are the objectives of sales meetings and conferences. In addition to acquiring knowledge of the products being sold, the salesman must consider continuously his own sales techniques and improve his personal sales methods. To see that such training is available is one of the assignments of the sales manager. Closely related to personal sales is sales promotion — activities that supplement personal selling

Three Tools of Selling



and advertising to help make the whole process more effective. Often, it is difficult to distinguish where advertising stops and sales promotion begins. For our purposes we will consider sales promotion as selling efforts that are not routine with the company. For example, contests which are conducted by manufacturers are usually adopted to expand sales; sampling, premiums, demonstrations, and shows are sales promotion devices available to the sales manager of a company.

Market Research

Market research is related to all types of selling effort, both personal and non-personal like advertising and promotion. The sales manager must develop more efficient means to increase his sales volume or lower selling costs. The individual salesman uses the results of market research to make his daily work more effective. To achieve more efficient distribution, market research aims to gather, record, and analyze facts relating to the transfer and sale of goods and services from producer to the consumer.

In agriculture much of the research related to marketing of farm commodities is done by the United States Department of Agriculture and agricultural colleges. This market research has been able to hold down market costs through finding more efficient transportation, storage, handling, processing and distribution of food and fiber products. Too, this market research has found new uses for farm products and has vastly improved the quality of many food items.

The market research department of a firm constantly seeks new ideas for products and evaluates their profit potential. It checks on the sales performance of its brands as compared with sales of competing items. There are large market research organi-

zations that make a business of doing market research on a contract basis for marketing firms.

In addition to finding out what customers will buy, a specific kind of market research called motivational research seeks to learn *why* the customer makes the choices he does. This type of research is done under the guidance of trained psychologists and sociologists. Indeed, the trend in market research today is to use people with a wide variety of training — mathematics, statistics and many social sciences — to learn more about customers. It is through such market research that companies are able to keep abreast of the way in which they can better serve people.

Selling as a Career

Selling is a good career for those with some aptitude for the job. Remember that there are several different types of selling which have a wide range of requirements. Retail selling is quite different from industrial selling, which often requires a technically trained sales engineer. Incomes also vary widely, but most firms work on a salary plus commission basis. The commission may run from 1½ per cent to as much as 20 per cent of the selling price.

Demand for salesmen has been strong during the past few years. With the increasing population and expanding production of the nation, the trend is likely to continue.

Agricultural selling seems to be evolving into a specialized field. Agricultural salesmen represent the agricultural industries in distribution of items needed for production on the farm or related activities: feed, seed, fertilizer, machinery, and equipment. This type of selling requires a multitude of services, and it keeps one in close contact with the farm and agriculture.

